

Vanishing entrepreneurship means a slower economy in years ahead

LAHORE: It has now been confirmed by all creditable institutions that the economic growth in Pakistan will be extremely slow, and according to International Monetary Fund (IMF) may reach 2.5 percent of the GDP in the last year of this government's tenure.

Many countries in the past have proved the IMF wrong. Malaysia under Mahatir refused to accept the IMF recipe at the peak of east Asian currency crisis. But his approach was sensible and prudent, as he depended on the Malaysian entrepreneurs to move ahead.

During this period, no Malaysian businessmen were haunted by their anti-graft watchdog, although, many of them might have played a role in the currency debacle.

He shunned foreign help and encouraged the local entrepreneurs to move ahead. Recently in Turkey, the economic miracle under Erdogan happened against the formula suggested by international donors. Turkey the sick man of Europe emerged as an economic power to reckon with.

Pakistan for the last 45 years has been looking down at its entrepreneurs. First Bhutto put a halt on industrialisation through massive nationalisation to the extent that even the rice mills were also nationalised. These mills still come under small enterprises. The growing steel industry was taken over by the government and the most promising banks were also taken over.

Entrepreneurship almost vanished from the country. Ziaul Haq's privatisation was selective. He should have offered the entire nationalised industries to original owners on as is where is basis minus the employees that were inducted during nationalisation without due process. He did handover the Ittefaq Foundry to the Sharif family on easy terms, but others were largely ignored.

This laid the foundation of total destruction of public sector enterprises. These PSE's became the anchors for the political workers of every party that came into power.

This practice then crept into those public sector companies that were operating efficiently under government. These include Wapda, Railways, PIA and the Pakistan Steel Mills.

All these entities are grossly overstaffed and most of the appointments are without merit. PSEs are now the Achilles heel of the government of Pakistan. These companies not only bled the exchequer, but through various concessions and protections stopped the private sector from entering these fields. As monopolies, they acted as monsters for the consumers and a huge liability for the state. When PPP and PML-N changed hands alternately four times, each party targeted the businesses that supported the other. So much so that Pakistan's largest entrepreneur Mian Mansha with his family had to flee to Europe and United States during the second tenure of PPP.

He came back when the government was changed. Musharraf was lenient on Mansha, but NAB created by him haunted the Lucky Group unfairly on supply of captive power at high rate to the

government. This was the crime that every mill with captive power did on the request of Musharraf regime to overcome power shortages.

The PPP government on resuming power under Zardari registered cases against Mansha in NAB, accusing him of acquiring MCB illegally. The case was at that time 18 years old, and time barred constitutionally. Still it lingered on for a long time. Nawaz was lenient on Mansha and he was not stretched during his period.

Imran even in opposition spoke frequently against Mian Mansha and now he along with his family is being dragged in NAB in many cases including money laundering that he allegedly did for investments outside Pakistan.

It would have been more sensible if the NAB and other investigators had asked State Bank of Pakistan about these transactions. It was subsequently proved that most of the money they probed, was taken out of the country on SBP approval. Such actions hurt business sentiments. Each businessman would think many times before expanding his empire.

Nishat Group of Mian Mansha and Lucky group headed by Tabba are the largest employers, exporters and taxpayers of Pakistan. They should be respected. Making money is not a sin, but if you implicate the largest taxpayer and give free hand to smugglers, hoarders and blackmailers, then you are transferring the economy to unethical elements.

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